

AMENDED IN SENATE MAY 27, 2005

**SENATE BILL**

**No. 175**

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**Introduced by Senator Vincent**

February 9, 2005

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An act to add Section 19858.5 to the Business and Professions Code, relating to gaming.

LEGISLATIVE COUNSEL'S DIGEST

SB 175, as amended, Vincent. Gambling Control Act: licenses.

The Gambling Control Act provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Division of Gambling Control within the Department of Justice. Under that act, a person is deemed unsuitable to hold a state gambling license, a requirement for owning a gambling establishment, if that person, or any partner, officer, director, or shareholder of that person, has a financial interest in a business or organization engaged in any form of prohibited gambling, as specified.

This bill would revise that provision by authorizing the commission to grant a license to an applicant ~~for to own~~ a gambling establishment ~~on a case-by-case basis~~, even if the applicant has a financial interest in another business conducting lawful gambling in California, or another business conducting lawful gambling outside of California that would violate California law if conducted within the state, as specified. The bill would also authorize ~~an owner of an interest in a gambling establishment to have a financial relationship with a tribal government conducting gaming pursuant to a tribal-state gaming compact~~ *the commission to grant a license to an applicant to own a gambling establishment, even if that applicant is an Indian tribe*

*authorized to conduct in-state gaming pursuant to a compact, as specified.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 19858.5 is added to the Business and  
2 Professions Code, to read:  
3 19858.5. (a) ~~The Notwithstanding Sections 19852 and 19858,~~  
4 ~~the commission may grant a license to an applicant for a~~  
5 ~~gambling establishment on a case-by-case basis, , pursuant to~~  
6 ~~this chapter, deem an applicant suitable to hold a state gambling~~  
7 ~~license to own a gambling establishment, even if the applicant~~  
8 ~~has a financial interest in either of the following:~~  
9 (1) Another business that conducts lawful gambling in  
10 California.  
11 (2) Another business that conducts lawful gambling outside  
12 the state, even if the conduct outside the state may violate  
13 Section 330 of the Penal Code if conducted in California.  
14 (b) ~~The Notwithstanding Sections 19852 and 19858, the~~  
15 ~~commission may also authorize an owner of an interest in a~~  
16 ~~gambling establishment to have a financial relationship with a~~  
17 ~~tribal government, which pursuant to a tribal-state gaming~~  
18 ~~compact, conducts gambling that would otherwise violate~~  
19 ~~Section 330 of the Penal Code., pursuant to this chapter, deem~~  
20 ~~an applicant suitable to hold a state gambling license to own a~~  
21 ~~gambling establishment, even if that applicant is an Indian tribe~~  
22 ~~that has been authorized to conduct gambling activities on Indian~~  
23 ~~land in California pursuant to a tribal-state gaming compact,~~  
24 ~~provided that the gaming activities that the tribe conducts on~~  
25 ~~Indian land in California are limited to those expressly~~  
26 ~~authorized by the applicable compact.~~